

LEASE AGREEMENT

This Lease Agreement ("Agreement") is made as of the 23^d day of August 2007 ("Effective Date") by and between the Santa Monica Mountains Conservancy, an agency of the State of California (alternatively "SMMC" and "LANDLORD") and Chabad Jewish Community Center of Pacific Palisades, Inc. for operation of the Palisades Jewish Early Childhood Center, Inc. a school (hereinafter collectively referred to as "TENANT").

Recitals

- A. SMMC is the owner of certain land known as Temescal Gateway Park, located at 15601 Sunset Boulevard, Pacific Palisades, California (hereinafter the "Property"). Located within the Property is a parcel of real property (hereinafter "Real Property") depicted on the attached Exhibit A, which LANDLORD has agreed to let to TENANT, on a temporary basis only, and on which will be located trailers to accommodate a maximum of fifty-four students and including outdoor space of 4,050 square feet to be used for TENANTS's pre-school program. The Real Property and Temporary Trailers are hereinafter known as the "Premises."
- B. The Mountains Recreation and Conservation Authority ("MRCA") is a joint powers authority established pursuant to California Government Code Section 6500 *et seq.*, with a mission to buy, preserve, protect, restore and enhance treasured pieces of Southern California to form an interlinking system of urban, rural river parks, open space, trails, and wildlife habitats that are easily accessible to the general public. MRCA operates and manages the Property for the SMMC, including managing any and all leases for portions of the Property. All rental payments generated from such lease agreements are used by MRCA to operate and manage the Property on behalf of SMMC.
- C. LANDLORD desires to lease to TENANT and TENANT desires to lease from LANDLORD the Premises on the terms and conditions set forth in this Agreement.

For good and valuable consideration, the parties agree as follows:

Section 1. Lease

LANDLORD agrees to lease to TENANT and TENANT agrees to lease from LANDLORD the Premises on the terms and conditions of this Agreement. The Premises shall be used by TENANT for TENANT's pre-school program only. Without the issuance of a special permit by MRCA, TENANT shall not use the Premises for any other purposes including special events and fund raising events. This lease shall not be effective until TENANT has complied with all of the provisions of the 2006 lease by and between TENANT and LANDLORD including the removal of all TENANT's personal property from Cabins 1, 2, 3 and 6 located on Property and TENANT's trailer from PROPERTY. TENANT acknowledges that a condition precedent to this Lease Agreement being effective is

LANDLORD's obtaining a Coastal Development Permit (CDP) or waiver of the requirement for a CDP for the development of the Premises for a temporary use, not to exceed the Lease Term, which LANDLORD will make best efforts to obtain.

Section 2. Term of Lease.

- A. The term of the lease shall commence on August 23, 2007 and continue until June 23, 2008 (hereinafter "Lease Term"), subject to the terms and conditions set forth below.
- B. The Lease Term will expire on June 23, 2008 (Termination Date). LANDLORD and TENANT agree that this lease will not be extended or renewed under any circumstances beyond the Termination Date. LANDLORD in reliance on TENANT's representation herein that TENANT will voluntarily vacate the Premises upon termination of the lease agrees to enter into this Lease Agreement with TENANT. TENANT agrees to remove all personal property from Premises by the Termination Date.
- C. Either party to this Agreement may give a minimum of thirty (30) days written notice to the other to terminate the lease and tenancy prior to the Termination Date, pursuant to Section 16 below. Upon giving such written notice, the lease and tenancy shall be terminated upon the date specified in the written notice.
- D. If TENANT is in default under the terms of this lease as defined in Section 11 herein and is not able or willing to cure the default, the lease and tenancy will terminate immediately and TENANT will surrender possession of the premises to LANDLORD.
- E. TENANT acknowledges and agrees that LANDLORD's development of the Temescal Gateway Park for public use necessitates LANDLORD's use of the real property included in the Premises in furtherance of LANDLORD's mission. TENANT further acknowledges and agrees that LANDLORD may, at its option, upon written notice to TENANT within a reasonable time, but not less than thirty (30) days, elect to recapture the Premises, and, within sixty (60) days after notice of such election has been given to TENANT, this Lease shall terminate and TENANT shall surrender and vacate the Premises, and TENANT shall be relieved of all liability for rent only hereunder incurred after the date this Lease Agreement terminates. If TENANT will require more than sixty (60) days after notice of such election to surrender and vacate the Premises, TENANT may request in writing additional time to do so, and LANDLORD will have the sole discretion to grant TENANT'S request.

Section 3. Lease Payment Obligation.

- A. Commencing on August 23, 2007, ("Commencement Date"), TENANT shall lease the Premises for a total monthly payment of six thousand, six hundred, and twenty-four dollars (\$6,624.00) ("Rental Payment").

- B. LANDLORD and TENANT agree that the prorated rental payment for the month of August 2007 shall be \$ 1987.20 and the prorated rental payment for the month of June 2008 shall be \$ 5078.40 both based on the Rental Payment base rent as indicated in Paragraph A of this Section.
- C. TENANT shall, on execution of this lease, deposit with MRCA the sum of five thousand dollars (\$5,000) as a security deposit for the repair of damages to the premises and/or to clean the premises, plus the last full month's rent in the amount of six thousand, six hundred, and twenty-four dollars (\$6,624.00). LANDLORD shall return to TENANT the deposit within 30 days after TENANT has vacated the Premises in compliance with Civil Code section 1950.7.
- D. The Rental Payment shall be payable in advance without deduction, offset, or prior demand on the Commencement Date, and continuing on the first day of each calendar month of the Lease Term thereafter.
- E. Rent payments shall be made payable to the MRCA at the following address: 570 West Avenue 26, Suite 100, Los Angeles, CA 90065 (Attention: Cande Rodriguez) or at another address that LANDLORD may from time to time designate by written notice to TENANT. Questions regarding matters related to this Lease should be directed to the attention of Joyce Whitehead, 310-454-1395, extension 103.
- F. Rental payments received by the MRCA subsequent to the tenth day of the month shall be subject to a 5% late charge fee. This rate shall remain in effect for the Lease Term.
- G. In the event of a holdover by TENANT, TENANT and LANDLORD acknowledge that LANDLORD will incur damages including but not limited to the loss of use of the Real Property and any revenue that could have been derived from the Real Property, potential fines and legal fees for violation of the Coastal Development Permit or waiver of the permit, and all the rental costs for the five Temporary Trailers and any additional charges associated with the holdover of the Temporary Trailers. If TENANT holds over TENANT agrees to pay, without disputing, based on LANDLORD's demand and supporting documents, all of LANDLORD's damages incurred thereby and in any event no less than the amount of the Rental Payment for each month or the portion of each month that TENANT holds over.
- H. Tenant's Chief Executive Officer, Zushe Cunin, agrees to personally guaranty payment of the Rental Payment and any and all damages and costs LANDLORD and MRCA may incur as a result of TENANT's breach of this Lease Agreement. This lease is not effective unless the attached Guaranty is signed.

Section 4.
Conditions Precedent to Entry of Premises and Use.

- A. TENANT agrees that the Premises will be used solely as a private pre-school and on a temporary basis not to exceed the term set forth herein. TENANT agrees that it will not solicit or accept advance deposits for the school year commencing in 2008 for any current or future students for a pre-school program to be located at Temescal Gateway Park. TENANT agrees that TENANT will require the parent(s) or guardian(s) of each student enrolled for the 2007/2008 school year to sign an acknowledgment in the form attached as Exhibit B that they have no expectation that their child(ren) or ward(s) will be returning to Temescal Gateway Park for any subsequent school year. Delivery by TENANT and receipt by LANDLORD of the signed acknowledgments and a complete list of enrollment is a condition precedent to TENANT's entry onto the Premises.
- B. TENANT understands and acknowledges that Premises are located in a public park facility and agrees to maintain Premises in a good, clean and orderly condition at all times. TENANT agrees to store all toys and educational materials inside the temporary structures when not in use.
- C. TENANT agrees and acknowledges that compliance with the California Coastal Act is a condition precedent to the validity of this Lease Agreement.
- D. TENANT represents that the uses described in Section 4, paragraph A above are lawful activities and/or operations, and are consistent with all applicable governmental and/or local ordinances, codes, and laws. TENANT further represents and agrees that TENANT has obtained any and all necessary federal, state, municipal and/or local permits, and/or licenses to conduct pre-school on the Premises, and that such permits and/or licenses will remain current during the entire time TENANT is in possession of the Premises. TENANT will provide copies of any and all applicable approved permits and/or licenses to LANDLORD prior to entry of Premises.
- E. TENANT understands and agrees that any and all property used by TENANT on the Premises must be portable, including but not limited to items such as furniture, wall decorations, shelved items, toys, children's exercise equipment, and outdoor/indoor play equipment.
- F. TENANT represents and agrees that the activities and/or operations listed in Section 4, paragraph A do not and will not injure, annoy, or interfere with the rights of other tenants, occupants, or users of the Property.
- G. TENANT represents and agrees that TENANT shall not commit any acts on the Premises that will affect the condition of the Premises or Property, make

any further improvements or remodel the Premises, change the locks, erect any signs, buildings, tool sheds, storage bins, and/or structures, or park any trailers, mobile homes, or similar vehicles on the Premises, without the prior written approval of LANDLORD. TENANT will immediately remove any such improvements, items, trailers, mobile homes, or similar vehicles previously placed on the Premises without permission at LANDLORD'S request. LANDLORD agrees to provide TENANT with keys to all locks to the Premises.

- H. TENANT represents and agrees TENANT shall not commit any waste, destruction, or nuisance upon the Premises that will adversely affect the condition of the Premises or Property.
- I. TENANT represents and agrees TENANT shall not conduct any activities and/or operations on the Premises that constitute a private or public nuisance that unreasonably or illegally interferes with the peaceful enjoyment or the use of property adjacent or contiguous to the Premises or Property. Specifically TENANT acknowledges and agrees that it will not allow any type of blower to be used for maintenance and/or gardening purposes because of the proximity of the Premises to residential properties.
- J. TENANT represents and agrees that TENANT shall comply with all laws, rules, and orders of all federal, state, and municipal governments or agencies that may be applicable to use of the Premises, including any laws, rules, orders, codes, regulations, and statutes governing the operation and safety of TENANT'S activities, operations, and use of the Premises.
- K. TENANT will not, without prior consent of LANDLORD, use any apparatus or device in or about the Premises which could cause any substantial noise or vibration or increase in the amount of utilities usually furnished or supplied for use of the Premises.
- L. The Premises shall not be used for storage of merchandise, inoperable vehicles, trailers, unused personal items, discarded materials, trash, or the stockpiling of any other materials.
- M. The Premises shall not be used for lodging, or auto or mechanical repairs.
- N. TENANT agrees to daily clean the Premises so as to maintain the Premises in a good, orderly, and neat condition. TENANT will at all times conduct its activities and operations on the Premises in a manner so as not to detract from the natural beauty of the Property at large.
- O. TENANT is solely responsible for all necessary permits, labor, expenses, and costs associated with TENANT'S operations and programs, including costs for maintenance, cleaning, ongoing janitorial service, carpet cleaning, floor cleaning, telephone installation, equipment installation and/or repair, or

any other service requested by TENANT within the Premises.

- P. TENANT may let, depending on availability and at normal Conference Center rates, other parts of the Property for other purposes, including but not limited to overnight accommodations, evening classroom use, parent retreats, use of kitchen facilities, pool use, or use of Stewart Hall. TENANT must make reservations to let other parts of the Property with MRCA staff at least 14 days before the desired date.
- Q. TENANT acknowledges that Premises are located in a public park facility and that parking is limited. All persons associated with TENANT and TENANT's use of Premises must display a valid parking permit at all times. LANDLORD will provide teachers and administrators with up to twenty (20) parking permits at no cost. All other visitors associated with TENANT and TENANT's use of Premises must provide own parking permit. TENANT agrees to park only in those parking spaces assigned by LANDLORD to TENANT. All visitors of TENANT must park in the public lot. At no time shall any person associated with TENANT park on any grassy area or along any road on the Property. TENANT will ensure that all of TENANT's employees, agents, invitees, guests, and visitors to the Property will be advised of and obey park rules for the Property, including but not limited to the 15 miles per hour speed limit and restricted parking areas.
- R. TENANT acknowledges and agrees to pay all lawful taxes, assessments, or charges which at any time may be levied upon any interest in this Agreement. It is understood that this lease may create a possessory interest subject to property taxation and TENANT hereby agrees to pay any additional taxes levied as a result of such interest.
- S. TENANT acknowledges and agrees that failure to comply with, or to act in accordance to, any part of this Section will constitute a material breach of the terms of this lease agreement.

Section 5. Utilities.

During the Lease Term, LANDLORD shall pay all charges for electric, water, and plumbing utilities for TENANT'S use of the Premises.

Section 6. Entry and Audit.

TENANT shall permit the LANDLORD or the LANDLORD's agents, representatives, or employees to enter the Premises at all reasonable times and upon reasonable notice to inspect the Premises and audit TENANT's records to determine whether TENANT is complying with the terms of this Agreement and to do other lawful acts that may be necessary to protect the LANDLORD's interest in the Premises under this Agreement or to

perform LANDLORD's rights and obligations under this Agreement.

Section 7. Surrender of Premises; Holding Over.

- A. Upon termination of this lease on the Termination Date or, if applicable, a date sooner than the Termination Date, TENANT shall promptly surrender and deliver the Premises to LANDLORD in a good, neat, and orderly condition, reasonable wear and tear, damage by elements, acts of God, or circumstances beyond control of TENANT, excepted.
- B. In the event TENANT holds over after expiration of the Lease Term, or beyond the date specified in a Notice of Intent to Terminate pursuant to Section 2B of this Agreement, TENANT shall be liable for all damages and costs provided for in this Lease Agreement, and all of LANDLORD's attorneys fees resulting from TENANT's breach, including without limitation all costs and fees of any eviction and/or other action(s) required to terminate TENANT's possession. TENANT acknowledges and agrees that TENANT may be evicted in an unlawful detainer without being served with a statutory notice to quit.
- C. TENANT acknowledges and agrees that this tenancy is temporary in nature, and that TENANT is not entitled to and will not seek, and LANDLORD is not required to nor will it provide relocation benefits in any form as a consequence of this tenancy.

Section 8. Indemnity.

- A. Tenant agrees to protect, indemnify, defend, and hold harmless the LANDLORD and MRCA, and LANDLORD's and MRCA's directors, officers, constituent members (including, without limitation, the Rancho Simi Recreation and Park District and the Conejo Recreation and Park District), employees, and agents, from any and all liability, claims, demands, and causes of action of any nature, in law or in equity, and any expense incident to LANDLORD's defense, for injury to or death of persons or loss of or damage to property occurring on or about the Premises, that grow out of or are connected with TENANT's use, development and/or occupation of the Premises, or the condition of the Premises (unless the condition is one for which the LANDLORD has expressly assumed the responsibility for remedying and the condition is not caused by TENANT). TENANT shall further protect, indemnify, defend, and hold harmless LANDLORD and MRCA and LANDLORD's and MRCA's directors, officers, constituent members (including, without limitation, the Rancho Simi Recreation and Park District and the Conejo Recreation and Park District), from and against any and all claims arising from any breach or default in the performance of any obligation on TENANT's part to be performed under the terms of this Lease,

or arising from any negligence of TENANT or TENANT's agents, employees, representatives, or contractors from and against all costs, attorneys fees, expenses, and liabilities incurred in the defense of any such claim or action or proceeding brought thereon; and in case any action or proceeding be brought against LANDLORD or MRCA by reason of any such claim, TENANT, upon notice from LANDLORD, shall defend LANDLORD and MRCA at TENANT's expense by counsel satisfactory to LANDLORD. TENANT, as a material part of the consideration to LANDLORD, hereby assumes all risk of damage to property or injury or death to persons, in, upon or about the Premises arising from any cause and TENANT hereby waives all claims in respect thereof against LANDLORD.

- B. TENANT represents and agrees TENANT shall take full legal and equitable responsibility for its activity on and use of the Premises, including the Temporary Trailers or use of any and all structures or improvements on the Premises, and will fully indemnify, defend, protect, and hold harmless LANDLORD and MRCA for the same as set forth in Section 9 of this Lease Agreement in the event of damage to property or injury or death to persons participating in such activities or use in connection with any building, structure or improvements erected by TENANT on the Premises.

Section 9. Insurance.

- A. Before taking possession of the Premises and during TENANT's possession, TENANT agrees to procure and maintain as current a policy for comprehensive liability insurance from a responsible insurance company authorized to do business in California, with a combined single limit of not less than Two Million Dollars (\$2,000,000) for injury or death to each person with a limit of One Million Dollars (\$1,000,000) per occurrence, and for damage to property, a limit sufficient to cover the full replacement costs of the Temporary Trailers for any claims, demands, or causes of action of any person arising out of accidents occurring on the Premises during TENANT's possession of the Premises. TENANT will provide proof of such insurance before occupying the Premises, and the procurement of insurance as specified is a material part of the consideration to LANDLORD for the right to lease the Premises.
- B. TENANT shall name the Mountains Recreation and Conservation Authority and the Santa Monica Mountains Conservancy as additional insureds on TENANT's policy of insurance. TENANT shall deliver a certificate of insurance to LANDLORD with all relevant endorsements prior to the Commencement Date. TENANT's policy of insurance shall be primary and noncontributory with any policies carried by the LANDLORD and, to the extent obtainable, any loss shall be payable notwithstanding any act or negligence of the LANDLORD or MRCA that might otherwise result in forfeiture of insurance. TENANT's insurance policy shall provide that a thirty

(30) day notice of cancellation and of any material modification of coverage shall be given to all named insureds. TENANT agrees that all sums expended by the LANDLORD for insurance, resulting from TENANT's failure to insure as provided in this Agreement, or to pay the premiums, shall be considered an additional lease payment obligation under this Agreement and shall be immediately repayable by Tenant to LANDLORD upon demand.

- C. At all times during the Lease Term and any holdover period, TENANT agrees to keep and maintain as current, or cause TENANT's agents, contractors, or subcontractors to keep and maintain as current, a policy for worker's compensation insurance and other forms of insurance as may from time to time be required by law or may otherwise be necessary to protect the LANDLORD, MRCA and the Premises from claims of any person who may at any time work on the Premises, whether a servant, agent, or employee of TENANT or otherwise. This insurance shall be maintained at the expense of TENANT or TENANT's agents, contractors, or subcontractors and not at the expense of the LANDLORD. TENANT shall provide LANDLORD proof of insurance before occupying the Premises.
- D. LANDLORD agrees that it will tender and turn over to TENANT or to TENANT's insurer(s) the defense of any claims, demands, or suits instituted, made, or brought against the LANDLORD and TENANT, within the scope of this Section. However, LANDLORD shall have the right to approve the selection of legal counsel, to the extent that selection is within TENANT's control, which approval shall not be unreasonably withheld or delayed. In addition, LANDLORD shall retain the right at LANDLORD's election to have LANDLORD's own legal counsel participate as co-counsel, to the extent that claims are made that may not be covered by TENANT's insurers.

Section 10. Assignment and Subletting.

TENANT shall neither assign nor sublease its leasehold interest to any other party under any circumstances.

Section 11. Lease Default.

- A. Any of the following events or occurrences shall constitute a material breach of the Lease Agreement by TENANT and, after the expiration of any applicable grace period, shall constitute an event of default (each an "Event of Default"):
 - 1) The failure by TENANT to pay any amount of money due under the terms of this Lease Agreement in full when it is due under the Lease.

- 2) The failure by TENANT to perform any obligation under the Lease, which by its nature TENANT has no capacity to cure.
 - 3) The failure by TENANT to perform any other obligation under the Lease.
 - 4) The abandonment of the Premises by TENANT.
 - 5) Failure to procure and keep current all insurance policies as specified in this Lease Agreement.
 - 6) Failure to obtain and keep current all approved and required permits and licenses as specified in Section 4 of this Lease Agreement.
 - 7) Assignment and/or subletting the Premises.
 - 8) Failure to comply with the terms and obligations set forth this Lease Agreement including but not limited to Section 4.
- B. Upon receipt of LANDLORD's written demand to cure any default, TENANT shall have a period of ten (10) calendar days from such written demand to cure such default. TENANT shall promptly and in good faith commence curing the default within the ten (10) day period. In the event TENANT is unable to cure the default within ten (10) days from LANDLORD's written demand, and has in good faith attempted to diligently and promptly cure the default within that time, TENANT may make a written request for an extension of time to cure the default. LANDLORD will have the sole right to consent to such an extension and such consent shall not be unreasonably withheld. TENANT shall indemnify and defend LANDLORD and MRCA against any liability, claim, damage, loss, or penalty that may be threatened or may in fact arise from TENANT's default and failure to cure such default. In the event LANDLORD, in good faith, withholds consent to an extension to cure, the Lease will immediately terminate and TENANT will immediately surrender the Premises.

Section 12. Remedies.

Upon the occurrence of an Event of Default, LANDLORD, in addition to any other rights or remedies available to LANDLORD at law or in equity, and notwithstanding the provisions of the guaranty attached hereto, shall have the right to:

- A. Terminate the Lease and all rights of TENANT under the Lease by giving TENANT written notice that the Lease is terminated.
- B. Upon the occurrence of an Event of Default, LANDLORD shall also have

the right, with or without terminating the Lease, to re-enter the Premises and remove all persons and personal property from the Premises. LANDLORD may store the personal property removed from the Premises in a public warehouse or elsewhere at the expense and for the account of TENANT.

- C. If TENANT abandons, vacates or surrenders the Premises, or is dispossessed by the process of law, any personal property belonging to TENANT and left on the Premises shall be deemed to be abandoned, at the option of LANDLORD. Failure by TENANT to occupy the Premises for a period of thirty (30) days or longer shall constitute abandonment by TENANT.

Section 13. Release

TENANT hereby releases and discharges LANDLORD and MRCA from and against any and all claims by TENANT arising from or based on TENANT's use of the Premises, unless the claim is based on the active negligence of LANDLORD or MRCA or agents thereof, and any and all claims arising out of the negotiation and execution of this Lease Agreement and any previous tenancy.

TENANT acknowledges that it has been advised regarding the effect of California Civil Code section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

TENANT HAVING BEEN SO ADVISED HEREBY EXPRESSLY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542.


TENANT

Section 14. Waiver of Breach.

Any express or implied waiver of a breach of any term of the Lease shall not constitute a waiver of any further breach of the same or other term of the Lease; and the acceptance of lease payments shall not constitute a waiver of any breach of any term of the Lease, except as to the payment of lease payments accepted.

Section 15. Attorney Fees.

If any action at law or in equity is brought to recover any rent or other sums under this Agreement, or on account of any breach of or to enforce or interpret any of the covenants, terms, or conditions of this Agreement, or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover its reasonable attorneys fees and costs, including costs of and fees for appeal, which shall be made a part of any judgment rendered.

Section 16. Authority.

All individuals executing this Agreement on behalf of that entity represent that they are authorized to execute and deliver this Agreement on behalf of that entity. It is agreed and understood that any agents and employees of TENANT, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the LANDLORD.

Section 17. Notices.

Except as otherwise expressly provided by law, all notice or other communications required or permitted by this Agreement or by law to be served on or given to either party to this Agreement by the other party shall be in writing and shall be deemed served when personally delivered to the party to whom they are directed, or in lieu of the personal service, upon deposit in the United States Mail, certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

To TENANT:

Rabbi Zushe Cunin
15207 Sunset Boulevard
Pacific Palisades, CA 90272
310-454-7783
310-454-5567 (fax)

With Copy To:

Barbara Leibovic
15207 Sunset Boulevard
Pacific Palisades, CA 90272
310-454-7781

To MRCA/SMMC:

Joseph T. Edmiston
Executive Director
Santa Monica Mountains Conservancy
5750 Ramirez Canyon Road
Malibu, CA 90265
310-589-3200 ext 110
310-589-3207 (fax)

With copy to:

Lisa Soghor
Los Angeles River Center and Gardens
570 W. Avenue 26, Suite 100
Los Angeles, CA 90065
323-221-9944
323-221-9934 (fax)

Either party may change the address for the purpose of this Section by giving written notice of the change to the other party in the manner provided in this Section.

Section 18. Partial Invalidity.

Should any provision of this Agreement be held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this Lease Agreement shall remain in effect, unimpaired by the holding.

Section 19. Entire Agreement.

This instrument constitutes the sole agreement between LANDLORD and TENANT respecting the Premises, the leasing of the Premises to TENANT and the specified lease term, and correctly sets forth the obligations of LANDLORD and TENANT. Any other agreement or representations respecting the Premises or their leasing by LANDLORD to TENANT not expressly set forth in this instrument are void.

Section 20. Time of Essence.

Time is of the essence in this Agreement.

Section 21. Amendments.

This Agreement may be modified only in writing and only if signed by the parties at the time of the modification.

Section 22. Governing Law.

This agreement shall be governed by and construed in accordance with California laws.

Section 23. Nondiscrimination.

TENANT agrees that it will not discriminate against any employee or applicant for employment or any person who is protected by the provisions of Government Code section 11135 because of race, color, religion, ancestry, national origin, sex, age or physical disability, marital status, mental disability, medical condition, and family care leave.

Section 24. Successors.

The terms of this Agreement and covenants contained herein shall apply to and bind and inure to the benefit of the successors in interest of the parties hereto.

Now therefore, the parties have executed this Agreement as of the date first above written.

For LANDLORD:

Santa Monica Mountains Conservancy

By: 

Title: Acting Executive Director

For MRCA:

Mountains Recreation and Conservation Authority

By: 

Title: Acting Executive Officer

For TENANT:

Chabad Jewish Community Center of Pacific Palisades/PJECC – Temescal Lease
August 2007

Chabad Jewish Community Center of Pacific Palisades, Inc.

By: 

Title: C.E.O.

By: _____

Title: _____

Palisades Jewish Early Childhood Center, Inc.

By: 

Title: C.E.O.

By: _____

Title: _____

GUARANTOR:


Zushe Cunin

GUARANTY

THIS GUARANTY OF LEASE (this "Guaranty") dated as of August 23, 2007 is executed by Zushe Cunin ("Guarantor") in favor of Santa Monica Mountains Conservancy and Mountains Recreation and Conservation Authority (the "Landlord"). Those capitalized terms not herein defined will have that meaning set forth in the Lease (hereinafter defined).

RECITALS

- A. Landlord and Chabad Jewish Community Center of Pacific Palisades, Inc and Palisades Jewish Early Childhood Center, Inc. (collectively known as "Tenant") have entered into a lease dated as of _____ (the "Lease"), whereby Landlord agreed to lease to Tenant and Tenant agreed to lease from Landlord the premises located at Temescal Gateway Park Center in Pacific Palisades, California more particularly described in attached Exhibit A to the Lease, and incorporated by reference ("Premises").
- B. As a condition to entering into the Lease, Landlord has required that Guarantor execute and deliver to Landlord this Guaranty.

AGREEMENT

In consideration of Landlord entering into the Lease of the Premises to Tenant, Guarantor covenants and agrees as follows:

Section 1. Guaranty. Guarantor absolutely and unconditionally guarantees to Landlord the timely payment of all amounts that Tenant may at any time owe under the Lease. Guarantor further guarantees to Landlord the full, faithful, and timely performance by Tenant of the Lease. If Tenant defaults at any time in the payment of any rent or any other sums, costs, or charges, or in the performance of any covenant or obligation under the Lease, then Guarantor, at Guarantor's expense, will on demand by Landlord fully and promptly pay all rent, sums, costs, and charges to be paid and perform all other covenants and obligations to be performed by Tenant pursuant to the Lease. In addition, Guarantor will on demand by Landlord pay to Landlord all sums due to Landlord, including, without limitation, all interest on past due obligations of Tenant, costs advanced by Landlord, damages, and all expenses (including, without limitation, court costs and reasonable attorney fees) that may arise in consequence of Tenant's default.

Section 2. Waivers. Guarantor authorizes Landlord, without notice or demand

and without affecting Guarantor's liability under this Guaranty, to: (i) consent to any extensions, accelerations, or other changes in the time for any payment provided for in the Lease, or consent to any other alteration of any covenant, term, or condition of the Lease in any respect, and to consent to any assignment, subletting, or reassignment of the Lease; (ii) take and hold security for any payment provided for in the Lease or for the performance of any covenant, term, or condition of the Lease, or exchange, waive, or release any security; and (iii) apply this security and direct the order or manner of its sale as Landlord may determine. Notwithstanding any termination, renewal, extension or holding over of the Lease, this Guaranty of Lease will continue until all of the covenants and obligations on the part of Tenant to be performed have been fully and completely performed by Tenant and Guarantor will not be released of any obligation or liability under this Guaranty so long as there is any claim against Tenant arising out of the Lease that has not been settled or discharged in full.

Section 3. Independent Obligations. The obligations of Guarantor under this Guaranty are independent of, and may exceed, the obligations of Tenant. A separate action may, at Landlord's option, be brought and prosecuted against Guarantor, whether or not any action is first or subsequently brought against Tenant, or whether or not Tenant is joined in any action, and Guarantor may be joined in any action or proceeding commenced by Landlord against Tenant arising out of, in connection with, or based upon the Lease. Guarantor waives any right to: (i) require Landlord to proceed against Tenant or any other person or entity or pursue any other remedy in Landlord's power; (ii) complain of delay in the enforcement of Landlord's rights under the Lease; and (iii) require Landlord to proceed against or exhaust any security held from Tenant or Guarantor. Guarantor waives any defense arising by reason of any disability or other defense of Tenant or by reason of the cessation from any cause of the liability of Tenant. Guarantor waives all demands upon and notices to Tenant and to Guarantor, including, without limitation, demands for performance, notices of nonperformance, notices of non-payment, and notices of acceptance of this Guaranty of Lease.

Section 4. Definition of Tenant. For purposes of this Guaranty of Lease and the obligations and liabilities of Guarantor, the term "Tenant" will be deemed to include any and all concessionaires, licensees, franchisees, department operators, assignees, subtenants, or others directly or indirectly leasing or occupying the Premises leased under the Lease or operating or conducting a business in or from these Premises.

Section 5. No Reporting Duty. Guarantor assumes full responsibility for keeping

fully informed of the financial condition of Tenant and all other circumstances affecting Tenant's ability to perform Tenant's obligations under the Lease, and agrees that Landlord will have no duty to report to Guarantor any information that Landlord receives about Tenant's financial condition or any circumstances bearing on Tenant's ability to perform such obligations.

- Section 6. Continuing Guaranty. This Guaranty will remain in full force notwithstanding the appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium, or other debtor relief act or statute, whether now existing or later amended or enacted, or the disaffirmance of the Lease in any action or otherwise. This Guaranty will further remain in full force and effect notwithstanding the eviction of Tenant, or the filing of any action seeking possession or damages against Tenant.
- Section 7. Joint and Several Obligations. If this Guaranty is signed, or if the obligations of Tenant are otherwise guaranteed, by more than one party, their obligations are joint and several, and the release or limitation of liability of any one or more of the guarantors will not release or limit the liability of any other guarantors.
- Section 8. Successors and Assigns This Guaranty of Lease will be binding upon Guarantor and Guarantor's heirs, administrators, personal and legal representatives, successors, and assigns, and will inure to the benefit of Landlord and Landlord's successors and assigns. Landlord may, without notice, assign this Guaranty of Lease, the Lease, or the rents and other sums payable under the Lease, in whole or in part.
- Section 9. Guaranty of Costs and Fees. In addition to the amounts guaranteed, Guarantor agrees to pay reasonable attorney fees and all other costs and expenses incurred by Landlord in enforcing this Guaranty of Lease or in any action or proceeding arising out of, or relating to, this Guaranty of Lease.
- Section 10. Governing Law. This Guaranty of Lease will be deemed to be made under and will be governed by California law in all respects, including matters of construction, validity, and performance, and the terms and provisions of this Guaranty may not be waived, altered, modified, or amended except in a writing signed by an authorized officer of Landlord and by Guarantor.
- Section 11. Severance. If any of the provisions of this Guaranty of Lease contravenes or be held invalid under the laws of any jurisdiction, this Guaranty of Lease will be construed as if it did not contain those

provisions, and the rights and obligations of the parties will be construed and enforced accordingly.

Section 12. Counterparts. This Guaranty of Lease may be executed in any number of counterparts, each of which will be a valid and binding original, but all of which together will constitute one and the same instrument.

Guarantor has executed this Guaranty as of the date first written above.

GUARANTOR:


[signature of Guarantor]

Rabbi Zasha Cumin
[print name of Guarantor]